

Senator Dino Rossi

2002 Legislative Update for the 5th District

Dear neighbors,

This past year has been a tough one for families throughout the state of Washington. The collapse of many dot-com companies, along with the attacks of September 11, turned a soft job market into an even worse situation. Boeing's announcement of 30,000 job cuts hit home for many residents as well.

The question now is, what can be done? What steps will the Legislature take to move the state back into economic prosperity? And how can we solve our state's other lingering problems, like transportation and a \$1.2 billion budget crisis?

In this newsletter, I'll explain how I plan to represent you in Olympia while working to answer those questions. I'll also explain how as the ranking Republican on the Senate Ways and Means Committee, I'll continue to be your watchdog when it comes to government spending your tax dollars. I think you'll agree our state faces some tough choices ahead, but if we make the right decisions now, we'll be looking at a better future for the working families of Washington and their children.

I hope you'll continue to contact me with questions and concerns throughout the year, no matter what the issue. Your feedback can only aid in my growth as your voice in Olympia. You can always call the Legislative Hotline at 1-800-562-0000, or send me e-mail at rossi_di@leg.wa.gov.

Sincerely,



Senator Dino Rossi



Senator Rossi fields questions from a group of visiting elementary school students.

Keep in Touch!

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Working for Washington report studies business climate

The business climate of the state of Washington is something that's been heavily scrutinized over the course of this last year. The move of Boeing's corporate headquarters out of state triggered many economic groups to start studying Washington's business climate, and how it affects the state economy.

The Senate Republican Caucus also began to examine this issue over the summer. We created a study called "Working for Washington" which examined what our state can do to make the business climate better.

The results were staggering. In small group meetings throughout the state, businesses large and small had the same complaints over and over again. They said government shows no accountability or predictability, and many times shows an adversarial attitude towards businesses. Poor customer service and a lack of "real world" experience were other factors frustrating businesses. The included chart also shows how Washington compares to other state's regarding tax burdens.

Clearly it's another factor affecting our business climate.

Solutions for a sagging job market

Many of the problems mentioned in the Working for Washington study are making it harder and harder for businesses to exist in the state of Washington. As a result those problems are making it more difficult for businesses to thrive and expand, meaning fewer jobs are being created throughout the state. In some cases, companies have simply taken their business out of the state altogether because of those problems.

During this session my colleagues and I will be encouraging the governor to make the changes necessary to help alleviate these problems. Many of the recommendations are on an agency level, which the governor can sign with the stroke of his pen. And let's hold the governor to this. He publicizes the fact his agencies have eliminated over 8,000 rules and regulations since he took office, which is true. He fails to mention those same agencies have created more than 24,000 new rules in that same period. These are the types of backward steps that are choking our business climate, and making it tougher for companies in Washington to provide family-wage jobs.

Taking a tougher look this year at how legislation and laws affect business will result in a better working environment for you and your family. Creating new jobs should be a priority for all of us in Washington. Our quality of life in the Pacific Northwest is unmatched in the United States. Let's create a business climate and job market to match.

How Washington Compares: Other Views		
Issue	Ranking	Source Estimating
Sales Tax Rate	1st Highest	Small Business Survival Index 2001
Unemployment Tax Liability	1st Highest	Washington Research Council
Minimum Wage	1st Highest in 2002	U.S. Department of Labor
Failure rate of new incorporations	1st Highest	Washington Policy Center
Unemployment Benefits Duration	2nd Longest	Washington Research Council
Traffic Congestion (Seattle-Everett)	2nd Worst	Texas Transportation Institute
Regulatory Burden	5th Highest	Washington Policy Center
Federal, State & Local Tax Burden	5th Highest	Tax Foundation 2001
State & Local Tax Burden Per \$1,000 of Income and Per Capita	10th Highest	Washington Research Council
Property Taxes	17th Highest	Small Business Survival Index 2001

As the ranking Republican on the Senate Ways and Means Committee, I'm working on solutions to solve our budget problems. Here are some ideas I've presented through editorials in various newspapers.

Creating an accountable state budget

While the current \$1.2 billion shortfall presents a considerable challenge, it's not one without a solution. We just need to examine some fresh ways to solve the problem while making our state's budget a more sustainable one for the future.

We need to start by revising the way state government operates. Preserving essential services while eliminating unnecessary expenses should be the goal. Utilizing some of the following ideas could save millions of dollars and I think you'll see these are the types of changes in government the voters are demanding.

1. Limit employment expenses

The governor should immediately mandate a hiring freeze for nonessential services. When a business is struggling does it hire more employees? No. A hiring freeze could save at least \$160 million over the next 16 months. And don't let erroneous statements fool you; our most vulnerable citizens would not suffer. Essential agencies and programs would be exempt from the hiring freeze, including everything from Children and Family Services, to schools for the deaf and blind, to mental health institutions. If a corrections officer leaves, that position would still be filled. DSHS social work positions would be protected. K-12 teachers and college professors wouldn't be touched. We can save money while avoiding layoffs at the same time.

This concept has already worked in other states. Gov. George Pataki of New York put similar freezes into effect after the events of September 11 and will save his state almost \$3 billion. Those are real savings we could be realizing right now.

There are also other ways to better utilize your taxes. Many people don't realize the government hires people from state agencies to lobby the Legislature. Simply put, they use your tax dollars to hire lobbyists to get more of your tax dollars! There's \$7 million to be saved by limiting these pointless efforts.

2. Examine where costs in state government have risen

If your family or business is struggling, one of the first things you do is look at your costs, to see which ones are rising the quickest. Often that might be a place you can save money — and government should do the same.

A close examination shows several areas where costs must be brought down. For example, over the last five years, out-of-state travel has grown at nearly nine times the rate of inflation. In-state travel and consulting contracts have also seen similar rates of increase.



Senator Rossi serves as the ranking Republican member of the Senate Ways and Means Committee

It doesn't stop there though. Miscellaneous goods and services costs have risen nearly six times the rate of inflation over the same five years, while training retreats and conferences have risen four times and furnishings and equipment purchases over three times. Let's bring these skyrocketing costs back down to a reasonable level. We'll save the state nearly \$300 million.

3. Help identify where services could be provided more cost-effectively and efficiently

Washington needs to remove the handcuffs on our state agencies when it comes to bidding for services. At home if you need a plumber, you open up the phone book and find one with the cheapest rate. In Olympia that phone book has only one page - state employees. By opening up

the bidding process to the private sector, the state could save hundreds of millions of dollars while still providing the same services.

My reasons for presenting these options are two-fold. First, the voters in this state have made their voices clear through the initiative process. They want us to be more responsible with the tax dollars we already have. These are clearly some ways to do this. Second, we do have areas of government where we can make cuts without throwing widows and orphans into the streets.

Implementing these changes would eliminate at least half of the problem. Let's work together to solve the other half, while providing voters with what they want, a more efficient government.

Keeping an eye on education

During the 2002 session, another issue I'll be watching closely is education. With four children of my own, I know I'm like a lot of other parents out there, wanting the best possible education for my kids.

This is why I want to make sure education remains a priority in Olympia. Funding for K-12 education is a large part of our state budget. I'm going to make sure it's being spent wisely, for the benefit of all of our children.

I also think the Legislature should continue to look at ways to keep our best teachers in the state of Washington. As many parents can attest to, a good teacher can be invaluable to a child's development. That's why we need to make sure we take the steps now to guarantee those teachers will be around in the future.

We're lucky in the 5th District to have some of the best schools in the state. I think many parents would agree. But no matter how our schools compare to others across the state, there's always room for improvement. I'll continue to work for you in Olympia, making sure those schools stay strong, and continue to provide each student with the best possible education.

A strong education system will help Washington's children become the future leaders of our state.



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